United States Senate

September 25, 2008

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable John A. Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Madam and Sirs:

We write to urge you to include in any legislation funding federal purchases of troubled assets a provision creating a Special Inspector General to oversee the emergency efforts of the Treasury Department. The most rigorous oversight possible must accompany this legislation if Congress is to approve a program that puts taxpayer dollars at risk.

This effort to take billions in bad assets off the books of America's financial institutions is destined to be one of the most complex and difficult tasks ever undertaken. Congress owes American taxpayers the strongest oversight possible – not just after the task begins, but as it is planned. Proper oversight will require not only our constant effort, but the full time attention of an office with only one task: to monitor this extremely complex effort with a team of expert personnel who will not be distracted by other duties. This office must be given the power to investigate and audit, with the ability to issue subpoenas for any necessary documents. It must report to Congress a complete set of facts about the activities of the Treasury Department and its contractors every 120 days. Timely, comprehensive and independent reporting is critical to good oversight.

This proposal is based on the Special Inspector General appointed to investigate waste, fraud, and abuse in the Iraq reconstruction program – an office that has worked in extremely challenging circumstances. But this Special Treasury Inspector General would be on the job long before waste, fraud, and abuse has a chance to take hold in the Treasury program.

The Special Inspector General would be nominated by the President within 30 days of passage of the financial market rescue plan. Once confirmed by the Senate, the Inspector General will appoint Assistant Inspectors General for Auditing and for Investigations, and will have the authority to hire other staff and to contract with outside entities. The Office would be charged with collecting the following information:

- categories of assets purchased (or procured by some other method)

- a list of assets in each category

- an explanation of how the assets were valued

- an explanation of why it was necessary to purchase each asset or groups of assets

- a list of financial institutions from which the assets were purchased

- a list of and information on each person or entity hired to purchase and manage the assets

- a current estimate of the total purchases made, the amount of assets on the books of the Treasury, the amount of assets sold and the profit and loss incurred on each sale or disposition.

The administration is asking the American people to put up $700 billion in a crisis, to execute a rescue plan for a faltering financial system. If Americans are to assume that level of risk, they deserve the action and advocacy of a team that wakes up every morning with one mission in mind: to track in the greatest detail possible the efforts of the Treasury Department in order to hold the officials executing the plan accountable, allowing Congress to properly monitor this unprecedented effort.

We urge you to include this proposal in any Treasury legislation the Congress considers in the coming days.

Sincerely,

Chuck Grassley   Max Baucus

Debbie Stabenow   _Frank R. Lautenberg_

Pat Roberts   _Amy Klobuchar_

Barbara Boxer   _Blanche L. Lincoln_

Dianne Feinstein   _John Barrasso_

Susan M Collins   _George V. Voinovich_

Larry E Craig   _Jay Rockefeller_

Thomas R Carper   _Norm Coleman_

E Benjamin Nelson   _Clair McCaskill_

Bill Nelson   _Ben Nelson_

Tom Harkin   _Ken Salazar_